Enclosure C
IDEA Preschool Grants Program
(Part B, Section 619)
Explanation of the FFY 2013 Allocation Table

Total Grant Award (Column B)
Column B shows your total grant award for the Preschool Grants program for Federal Fiscal Year (FFY) 2013 under the Consolidated and Further Continuing Appropriations Act, 2013 - P.L. 113.6.

In general, funds are distributed to eligible entities through a formula based on general population and poverty. Under the formula, each State is first allocated an amount equal to its fiscal year 1997 allocation. For any year in which the appropriation is greater than the prior year level, 85 percent of the funds above the fiscal year 1997 level are distributed based on each State’s relative percentage of the total number of children aged 3 through 5 in the general population. The other 15 percent is distributed based on the relative percentage of children aged 3 through 5 in each State who are living in poverty. The formula provides several minimums and maximums regarding the amount a State can receive in any year.

If the amount available for allocation to States remains the same from one year to the next, States receive the same level of funding as in the prior year. If the amount available for allocation to States decreases from the prior year, any amount available for allocation to States above the 1997 level is allocated based on the relative increases in funding that the States received between 1997 and the prior year. If there is a decrease below the amount allocated for 1997, each State’s allocation is ratably reduced from the 1997 level.

Maximum State Set-Aside (Column C)
States may reserve funds for State-level activities up to an amount equal to 25 percent of the amount they received for fiscal year 1997 under the Preschool Grants program, adjusted upward each year by the lesser of either the rate of increase in the State’s allocation or the rate of inflation as reflected by the Consumer Price Index for All Urban Consumers (CPIU). If a State chooses to set-aside the maximum amount of FFY 2013 section 619 funds for State-level activities, the amount available for making LEA base payments in Column E will be below 75% of the State’s FFY 1997 section 619 grant.

SEAs may use State set-aside funds: (1) for administration (limited to no more than 20 percent of the maximum State set-aside – Column C); (2) support services (including establishing and implementing the mediation process required under 34 CFR §300.506), which may benefit children with disabilities younger than 3 or older than 5, as long as those services also benefit children with disabilities aged 3 through 5; (3) direct services for children with disabilities who are eligible for services under section 619; (4) activities at the State and local levels to meet the performance goals established by the State in their State Part B application; (5) supplementing other funds used to develop and implement a statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families (up to 1 percent of the amount received under this program); (6) to provide early intervention services (which shall include an educational component that promotes school readiness and incorporates preliteracy, language, and numeracy skills) in accordance with Part C to children with disabilities who are eligible for services under section 619 and who previously received services under Part C until such children enter, or are eligible under State law to enter,
kindergarten; or (7) at the State’s discretion, to continue service coordination or case
management for families who receive services under Part C.

**Maximum Set-Aside Available for Administration (Column D)**

Column D indicates the maximum portion of the total State set-aside amount (Column C) that
may be used to administer this program. The amount that may be used for administration is
limited to 20 percent of the maximum amount available to a State for State-level activities.
These funds may also be used, at the State’s discretion, for the administration of the Grants for
Infants and Families program (Part C).

**Section 619 Base Payment for LEAs (Column E)**

Column E is the portion of the LEA flow-through amount that must be distributed to LEAs based
on the amounts that the LEAs would have received from the FFY 1997 funds had the State
educational agency (SEA) flowed through 75 percent of the State award to LEAs. Note that this
amount is less than the minimum amount that States were required to provide LEAs from the
FFY 1997 funds. The Part B regulations at 34 CFR §300.816(b) clarify how adjustments to the
base payment amounts for LEAs are made.

If after the State set-aside is subtracted from the total award, the State determines that the amount
available for base payments is less than 75% of the State’s FFY 1997 section 619 grant, the State
must ratably reduce each LEA’s base payment by the percentage of the reduction in the total
amount actually available for making base payments in FFY 2013. For example, if the total
amount in the “Base Payment for LEAs” column is $100 and the total amount available for
making base payments in FFY 2013 is $90, the reduction in the total base payment amount from
FFY 2012 to FFY 2013 is 10%, and each LEA’s base payment for FFY 2013 must be reduced by
10%. The State, if necessary, must make base payment adjustments in accordance with 34 CFR
§300.816(b) based on the ratably reduced base payments. (See: May 31, 2013 Email from
Gregg Corr, Director, Monitoring and State Improvement Planning Division to SEA Directors on
Explanation of Section 619 Subgrant Requirements.)

**Section 619 Population/Poverty Factors (Column F)**

Column F shows the minimum amount a State must allocate to LEAs based on population and
poverty factors. If a State chooses to set aside the maximum amount of FFY 2013 section 619
funds for State-level activities, the amount available for LEA subgrants will be below the base
payment amount in Column E, and the State will not have any remaining section 619 funds
available after making base payments. Therefore, the State will be unable to make a population
or poverty payment. However, if a State does not set aside the maximum amount for State-level
activities and additional funds are available after making base payments, 85 percent of the
remaining amount must be distributed on a pro-rata basis to LEAs according to public and
private elementary and secondary school enrollment, and 15 percent on a pro-rata basis to LEAs
according to the number of children in LEAs living in poverty, as determined by the State.

**Total State Minimum Flow-Through to LEAs (Column G)**

The minimum flow-through to LEAs (Column G) is the sum of the base payment (Column E)
and population/poverty amounts (Column F). If States do not choose to retain the maximum
amount available under the State set-aside (Column C), the remaining funds flow through to
LEAs in addition to the funds in Column G.